

We accepted the recommendations of the administration by dropping several lines of insurance from the program. However, there is one very critical line that has never been included, and one that I am disappointed is not part of this compromise bill, and that is group life. As I have said on numerous occasions, it is critical that we create conditions that permit the private insurance markets to continue to offer group life insurance coverage to employees at high risk of attack.

Since 2002, I have fought to include group life insurance in the Terrorism Risk Insurance Program. I was disappointed, at that time, that the Bush administration chose to focus its efforts on insuring buildings against terrorism but was dismissive of the critical role that group life insurance plays for tens of thousands of families at the highest risk of terrorist attack.

We saw vividly, post-9/11, the suffering of so many families, and while the most immediate grieving was for the loss of human life, the harsh reality is that many families lost their livelihood as well. In a time of loss, a life insurance policy can mean the difference between having to sell the family home, pulling the kids out of college, or even, in some cases, having enough money to put food on the table.

Moreover, the lack of affordable reinsurance for group life products calls into question the administration's position that TRIA is crowding out innovation that would otherwise enable the industry to offer insurance for terrorism risk without a governmental backstop. Reinsurance has essentially evaporated for the group life sector, which Treasury specifically chose not to include in the Terrorism Risk Insurance Program, and thus was not hindered in its pursuit of market innovations. We ought to be working to create a marketplace where reinsurance can reemerge for group life products, rather than jeopardize the TRIA-facilitated appearance of reinsurance for products, like workers compensation, which are comparable to group life.

I certainly appreciate that innovations within the insurance industry may be part of the long-term solution, and we certainly must facilitate that as we go forward. The time has come for Congress to review the current regulatory landscape of the insurance industry to ensure that it does not unnecessarily restrict innovation. I believe that this legislation is consistent with that objective—extending TRIA for a period of time sufficient for Congress to begin looking at modernizing the regulatory scheme for insurance while it also reviews longer term solutions to the challenge of insuring against acts of terror.

I am pleased that this legislation requires the Presidential Working Group to do a study on the long-term viability and affordability of terrorism insurance and the affordability of inclusion of group life insurance. I look forward to reviewing the Presidential

Working Group's recommendations, and it is my hope that it recommends inclusion of group life in the program.

Additionally, I am satisfied with the "make available" provisions in this bill. At the end of the day, this program is not about the profits of the insurance industry; it is about the ability of American businesses to have access to insurance protection. That should be the very minimum required of an industry that enjoys the type of protection we have provided.

Estimating the likelihood of attacks or the extent of loss is difficult, if not impossible. Now is not the time for the administration or Congress to leave the private insurers to go it alone. I am pleased that last night the Senate passed this important legislation. Doing nothing would not have been acceptable.

Mr. NELSON of Nebraska. Mr. President, although the Senate's passage of the Terrorism Risk Insurance Extension Act of 2005 is a good start to ensuring continuity within our financial markets in the event they are impacted by another terrorist attack, I am disappointed the Act failed to include group life insurance.

Over 160 million working Americans have coverage through a group life policy. For many, this coverage is their only form of life insurance. Loss of this benefit would threaten their families' financial stability.

Group life insurance poses unique risks to the carriers that provide it. Much like workers' compensation insurance, the high level of risk concentration by employer and worksite makes group life insurance particularly vulnerable to large-scale losses from events such as terrorist attacks.

Before the September 11 tragedy, group life insurers protected against large-scale losses through the purchase of catastrophe reinsurance. Since that time, group life insurers have experienced a decreased availability of catastrophe reinsurance coverage. At the same time, the cost of this limited coverage and its related deductible have increased to the point where the coverage is cost-prohibitive. Additionally, it is not uncommon for catastrophe reinsurers to exclude terrorism on most quotes.

Opponents of group life's inclusion argue that free market participants should be able to reach a price on any commodity. But this mindset ignores the fact that group life insurers do not operate in a truly free market. Even if group life insurers wanted to exclude coverage for terrorist acts—which many, for good public policy reasons, reject as an option—they currently are prohibited from doing so.

Ordinarily, insurers would control their risk exposure through the premiums they charge. However, in the context of terrorism, this mechanism also is no longer available for group life insurers. The lack of historical data on the incidence rate of terrorism in the United States prevents insurers

from pricing for this risk. Moreover, the very nature of terrorism—a non natural event—makes it a risk for which actuaries have no basis to price.

The bill's required analysis of the long-term availability and affordability of insurance for terrorism risk, including group life coverage, simply offers the distant hope of a solution for group life insurers. Daily reminders of the continued threat of terrorism require an immediate solution.

For these reasons, I respectfully urge members of the conference committee to look beyond the buildings the act would protect and protect the people inside those buildings by including group life in the extension.

#### TAX RELIEF ACT OF 2005

Mr. KOHL. Mr. President, they say that timing is everything. And the timing of the Congress's actions these days is indicative of our priorities. Yesterday, the House rightly voted against the Labor, Health and Human Services and Education appropriations bill that under funded job training, education and health care. Last night, the House voted to pass a reconciliation spending package that would cut programs such as child support, food stamps, and Medicaid. Also last night, the Senate passed \$60 billion worth of tax cuts.

What does that say to hard working Americans about the priorities of this Government? I want to make it clear to my colleagues that I support many of the provisions that are included in this legislation. I support tax provisions aimed at helping Gulf States recover from Hurricanes Katrina and Rita. I support extending the tuition deduction, the research and development tax credit, and a deduction for teacher expenses, among others. And I strongly support the extension of the increased exemption amounts for the alternative minimum tax.

In fact, I would support much broader reform of the AMT. More and more middle class individuals and families will find themselves impacted by this onerous tax if Congress does not act soon to correct it. I would also support some capital gains and dividend rate reform. I want to make it clear to my constituents that I am not opposed to tax cuts—when the time is right—when we are in surplus. In 2001, I supported the tax cut legislation, based on the fact that we were running a surplus. It stands to reason, then, that during these times of record deficits, that we can ill afford the tax package the Senate approved yesterday.

I want to repeat what I just said—I am not opposed to tax cuts. That is why I supported the alternative package of extensions offered by Senator CONRAD. This amendment contained nearly identical extension provisions. The amendment even went further on the AMT than the underlying bill, ensuring that no more taxpayers pay the tax over 2005. The difference? The alternative was fully paid for, through a series of offsets.

It remains a mystery to me why so many of my colleagues chose to add to the deficit rather than responsibly extend these important provisions. I would have hoped that more of my colleagues that voted against this alternative would have come to the floor to give their reasoning. Adding \$60 billion to the deficit is not something any of us should take lightly. When we are cutting fundamental programs in order to reduce the deficit, when we are faced with continued costs associated with rebuilding after the hurricanes, when costs associated with Iraq and Afghanistan continue to mount—is that the time to extend tax cuts without paying for them?

For me, the answer is a resounding no. Timing is everything. When we were in surplus, I supported tax cuts. Times have changed, and we can no longer afford to adopt tax legislation without paying for it. Yesterday, the Senate had a chance to show our constituents that we can make difficult budget decisions, just as so many American families do every month. But instead, the Senate chose to pass the buck on that decision, and add \$60 billion to our growing deficit.

Thank you, Mr. President, and I yield the floor.

Mr. INHOFE. With this week's consideration of the tax reconciliation act, the United States Senate engaged in a heated exchange over the reinstatement of the windfall profits tax on American oil. The key question in this debate, which my colleagues have not been able to answer, is how can a tax increase on oil and gas production reduce prices? It can't and history proves it.

First enacted under President Jimmy Carter in 1980, Congress imposed an excise levy on domestic oil production called the windfall profits tax. The result was inevitable. According to a 1990 report by the nonpartisan Congressional Research Service, the results of Carter's WPT were hugely counterproductive: "The WPT reduced domestic oil production between 3 and 6 percent, and increased oil imports from between 8 and 16 percent . . . This made the U.S. more dependent upon imported oil."

The stakes for Oklahoma are huge considering that oil and gas production is our largest single industry. During debate, Democrats filed amendment after amendment, nine in total, to penalize and to increase taxes by billions of dollars on one of America's most vital industries. To Oklahoma's good fortune, and that of the American consumer, each of these amendments was either soundly defeated or withdrawn.

Over the past few months, Democrats have fired a barrage of unfair rhetoric maligning all those who work in the oil and gas business. With one breath they demand Congress reign in the recent high oil prices, with the next they insist on tax increases to punish those who they claim are responsible. With so many friends, acquaintances, and

constituents in the business, I find these reckless demands and accusations unfair and dangerous for Oklahoma.

As a teenager, I worked as a tool dresser on a drilling rig for a man by the name of A.W. Swift. Many in Oklahoma know his name, but few in this Chamber would. Like many who have operated in oil and gas, he ran a thrifty and tight operation but was eventually taxed out of business. This same man lost his son, Burt Swift, after a rig explosion claimed his life but spared mine. Sacrifices, such as his, are often a part of the harsh realities faced by many in the oil business.

Oklahoma would be especially hard hit by a WPT. Currently, well over two-thirds of the State's oil production comes from marginal wells. A marginal well is typically defined as one which produces less than 10 barrels of oil or 60 mcf of gas a day. They are called "marginal" because their profitability is at times just at the margin, depending upon production costs and current market prices.

As oil prices decrease many of these wells become uneconomical and are increasingly "shut in" or "plugged and abandoned." However, as oil prices increase, Oklahoma's independents increasingly drill for and produce from marginal wells. The added cost of a windfall profits tax drastically harms the economic viability Oklahoma's marginal wells.

Outside of the damage a WPT would inflict upon Oklahoma, this tax would only further harm our Nation's shrinking energy independence. America's major oil companies already pay the second highest corporate tax rate in the industrialized world. How are they to compete internationally with an additional WPT tax? How could Conoco Phillips or Chevron Texaco compete with Total (French), BP (British), and Royal Dutch Shell (British/Dutch) not to mention government owned and operated oil giants like Saudi Aramco, NIOC (National Iran Oil Company), Petro China, CNOOC (China National Offshore Oil Corporation), Gazprom (Russia), and dozens more. With enactment of a WPT, American companies would be hard pressed to effectively compete in the competitive global market for exploration and production. The WPT gives all foreign owned oil companies a strong competitive advantage.

With more than 2,100 firms and 60,000 people the oil and gas industry is the most critical component of Oklahoma's economy. Many of those in the business have in the past lost their business, their savings and their livelihood. The industry is cyclical with booms followed by busts as we saw most poignantly in the 1980s. For the jobs in Oklahoma and the consumers at the pump, let's reject WPT.

Mrs. MURRAY. Mr. President, I rise to speak about the tax reconciliation bill before the Senate today.

Today, Americans are saddled with more than \$8 trillion in national debt,

an obligation being passed on to our children and grandchildren. And our Nation's expenditures—because of the War in Iraq, the global war on terrorism, Hurricane Katrina and other natural disasters, and countless other challenges our Nation is confronting are far outstripping our tax receipts.

The current administration has placed passing tax cuts for the few ahead of targeted tax cuts for the middle class and to grow business and has made us less able to address other important priorities, homeland security, paying for the war in Iraq, our nation's infrastructure, health care, and education.

I believe we need a tax system that is fiscally responsible, helps business grow, and provides maximum relief to the middle class. That is why I support tax policies that work to achieve those goals, and that is why I voted for the Conrad substitute amendment, which would have fully paid for the cost of targeted middle class tax relief.

Mr. President, I am deeply concerned about passing a \$60 billion tax cut bill at a time when we are cutting Medicaid, food stamps, student loans, and other domestic programs that will spur economic growth and help all Americans. Just 2 weeks ago, the Senate Republican leadership brought a spending cut to the floor to cut \$35 billion from areas like healthcare and education. The budget that passed this body contains the wrong priorities. It imposes painful cuts on working families, as I said at the time.

Mr. President, too many working families in American don't feel secure. They are worried about high gas prices and how they are going to heat their homes this winter. They are worried about how they will pay for their health insurance and their prescription drugs. And they are worried they won't be able to afford a home or college tuition for their children.

Given all this, why would the Congress pull the rug from under these working Americans at exactly the time they need our support? The answer is before us today to make room for more tax cuts. Now, some of the tax cuts contained in the tax reconciliation bill are certainly helpful. The research and development tax credit, the deduction of State and local sales tax, and the deduction for teacher's expenses are all important provisions and should be extended. I have voted for and cosponsored bills that extend or make permanent some of these provisions. In fact, I voted to extend these tax provisions and all those expiring at the end of the year when I voted for the Conrad substitute amendment. That amendment fully paid for the tax cut extensions and the Hurricane tax relief over 10 years and did not cost the Federal Treasury a dime.

I oppose cutting critical services to pass unbalanced tax cuts that primarily benefit the wealthy. The capital gains and dividend tax cut extensions, which primarily benefit those making

more than \$1 million, are not in the current version of this bill. But I know that when the tax reconciliation bill comes back from conference, it will have those provisions. We all heard Senate Majority Leader FRIST when he said, and I quote "I will not bring a conference report to the Senate floor that does not include this extension."

So, Mr. President, we have a choice to make: will we invest in priorities like health care, education, transportation and job training that spur economic growth and keep families out of poverty, or will we continue to conduct business as usual and pass tax cuts in a fiscally irresponsible way? Based on the vote 2 weeks ago to cut \$35 billion in critical help for Americans in the most need, it appears that the Republican-controlled Congress has chosen the latter.

I understand the importance of a responsible Federal budget. Our nation's annual deficit is more than \$300 billion. Foreign owned debt has increased by more than 100 percent over the last 5 years, and we will soon be asked to increase the country's debt ceiling by another \$781 billion. At a time when we are facing such tremendous spending pressures and an increasing deficit, I think it would be wise to heed the words of Federal Reserve Chairman Alan Greenspan, who said during testimony before the Budget Committee last year:

"If you are going to lower taxes, you should not be borrowing essentially the tax cut. That over the long run is not a stable fiscal situation."

Unfortunately, the tax reconciliation bill before us will increase the deficit and borrow money to do so. The Senate was presented with the option to extend the tax provisions expiring at the end of this year and pass the hurricane tax relief in a fiscally responsible manner. Unfortunately, the sound Democratic alternative we offered failed on a party line vote.

Mr. President, these are very challenging times for our country and our people. Working families don't feel secure about their jobs, their health care, their pensions or their future. Many Americans are making tremendous sacrifices by serving in our military. We need to show that we are on their side. We need to help make America strong again. The way to do that is to invest in our people invest in their education, their job training, and their future. The Republican budget does just the opposite it cuts out those critical investments so that they can reduce taxes for a few at the top. Those are the wrong priorities. I believe America can do better, and America deserves better, and therefore I will vote against this misguided budget.

#### ADDITIONAL STATEMENTS

#### PROFESSORS OF THE YEAR

• Mr. BAUCUS. Mr. President, I rise today to congratulate the winners of

the United States Professor of the Year Award. Since 1981, this prestigious honor has been awarded to professors who show an exceptional dedication to teaching. This year, professors from 40 States, the District of Columbia, and Guam are being honored with this award. Their disciplines are varied; they come from both private and public institutions. But they have one thing in common, and that is dedication to teaching.

These undergraduate professors do more than teach information. They impact their classes by inspiring students to excel. They think up new and inventive ways for their students to learn. They create programs that allow students to learn through working and teaching experience. Sometimes these professors go as far as establishing new departments in their institutions, broadening academic choices for undergraduates. College professors contribute so much to their institutions and surrounding communities, and often these vast contributions go unnoticed by society. I am proud that we are taking time today to honor these inspiring professors:

#### 2005 U.S. PROFESSORS OF THE YEAR, NATIONAL AND STATE WINNERS

Outstanding Baccalaureate Colleges Professor, W.A. Hayden Schilling, Robert Critchfield Professor of English History, The College of Wooster, Wooster, Ohio.

Outstanding Community Colleges Professor, Katherine R. Rowell, Professor of Sociology, Sinclair Community College, Dayton, Ohio.

Outstanding Doctoral and Research Universities Professor, Buzz Alexander, Professor of English Language and Literature, University of Michigan, Ann Arbor, Michigan.

Outstanding Master's Universities and Colleges Professor, Carlos G. Gutierrez, Professor of Chemistry, California State University, Los Angeles, Los Angeles, California.

#### STATE WINNERS

Alabama: Guy A. Caldwell, Assistant Professor of Biological Sciences, University of Alabama.

Arkansas: Scott Roulrier, Associate Professor of Political Science, Lyon College.

California: Philip R. Kesten, Associate Professor of Physics, Santa Clara University.

Colorado: Daniel J. Pack, Professor of Electrical Engineering, United States Air Force Academy.

Connecticut: Lawrence F. Roberge, Associate Professor & Chair, Department of Science, Goodwin College.

District of Columbia: Matthew O'Gara, Associate Professorial, Lecturer, Elliott School of International Affairs, George Washington University.

Florida: Ana M. Cruz, Professor of Accounting, Miami Dade College, Wolfson Campus.

Georgia: Julie K. Bartley, Associate Professor of Geosciences, University of West Georgia.

Guam: Kyle D. Smith, Professor of Psychology, University of Guam.

Idaho: Rhett Diessner, Professor of Education, Lewis-Clark State College.

Illinois: M. Vali Siadat, Professor & Chair, Department of Mathematics, Richard J. Daley College.

Indiana: John B. Iverson, Professor of Biology, Earlham College.

Iowa: James L. Brimeyer, Instructor of Composition & Literature, Northeast Iowa Community College.

Kansas: Elsie R. Shore, Professor of Psychology, Wichita State University.

Kentucky: Peggy Shaddock Palombi, Associate Professor of Biology, Transylvania University.

Louisiana: Roger White, Associate Professor of Political Science, Loyola University New Orleans.

Maryland: James M. Wallace, Professor of Mechanical Engineering, University of Maryland, College Park.

Massachusetts: Walter H. Johnson, Professor & Chair, Department of Physics, Suffolk University.

Michigan: Gary B. Gagnon, Assistant Professor of Marketing, Central Michigan University.

Minnesota: Mark Wallert, Professor of Biology, Minnesota State University Moorhead.

Missouri: Rebecca Kuntz Willits, Assistant Professor, Biomedical Engineering, Saint Louis University.

Montana: Jakki J. Mohr, Professor of Marketing, University of Montana.

Nebraska: Daniel G. Deffenbaugh, Associate Professor of Religion, Hastings College.

Nevada: Paul F. Starrs, Professor of Geography, University of Nevada, Reno.

New Hampshire: Debra S. Picchi, Professor of Anthropology, Franklin Pierce College.

New Jersey: Phyllis Owens, Associate Professor of Computer Graphics, Camden County College.

New Mexico: Elise Pookie Sautter, Professor of Marketing, New Mexico State University.

New York: Jo Beth Mertens, Assistant Professor of Economics, Hobart and William Smith Colleges.

North Carolina: Cindy C. Combs, Professor of Political Science, University of North Carolina at Charlotte.

North Dakota: Jim Coykendall, Associate Professor of Mathematics, North Dakota State University.

Ohio: Nathan W. Klingbeil, Associate Professor of Mechanical Engineering, Wright State University.

Oregon: Jerry D. Gray, Professor of Economics, Willamette University.

Pennsylvania: Jerome Zurek, Professor & Chair, Department of English & Communication, Cabrini College.

South Carolina: Norman M. Scarborough, Associate Professor of Information Science, Presbyterian College.

Tennessee: Jette Halladay, Professor of Speech and Theatre, Middle Tennessee State University.

Texas: Susan Edwards, Professor of History, Cy-Fair College.

Utah: Yasmen Simonian, Professor & Chair, Department of Clinical Laboratory Sciences, Weber State University.

Vermont: Sunhee Choi, Professor of Chemistry and Biochemistry, Middlebury College.

Virginia: John H. Roper, Professor of History, Emory & Henry College.

Washington: Bruce Palmquist, Associate Professor of Physics & Science Education, Central Washington University.

West Virginia: Carolyn Peluso Atkins, Professor of Speech Pathology & Audiology, West Virginia University.

Wisconsin: Jody M. Roy, Associate Professor & Chair, Department of Communication, Ripon College.

#### OF DUTY, HONOR AND SERVICE

• Mr. CRAPO. Mr. President, in the spring of this year, I had the remarkable experience of hosting a recording of a history for the Library of Congress Veterans History Project. A distinguished, elderly Idahoan recounted his